






State Audit Update

State Transportation Board Finance Committee

November 18, 2009



State Audit Findings FY 08

Findings	Status	Findings
2		Improper revenue recognition criteria were utilized by GDOT that resulted from advanced construction projects being initiated prematurely
3		GDOT general ledger was materially misstated and was not suitable for day-to-day management
4	Repeat	GDOT sub-ledgers at the 'fund source' level were not properly maintained
5		GDOT's general ledger did not contain a 'contingency reserve account' that would measure and report the estimated future costs associated with on-going projects
6	Repeat	GDOT did not properly monitor the status of outstanding contractual obligations
7		GDOT's contractual liabilities (encumbrances) were understated due to two pricing indices included in construction contracts
8		Budget amendments were submitted and approved that erroneously increased GDOT's annual operating budget
9	Repeat	Material weaknesses in internal control were noted regarding the GDOT's ability to record, process, and report contractual obligations and supplemental agreements
10	Repeat	GDOT did not maintain adequate accounting records at the legal level of budgetary control as prescribed by the Appropriation Act

Preliminary FY09 State Audit Findings

Findings	Status	Findings
1	New	GDOT could not provide formal written internal control policies and procedures for critical processes and tasks related to identifying, recording, and monitoring financial transactions and file maintenance
2	Repeat	GDOT sub-ledgers at the 'fund source' level were not properly maintained (Repeat FY 08 Finding #4)
3	Repeat	GDOT did not maintain adequate accounting records at the legal level of budgetary control as prescribed by the Appropriation Act (Repeat FY 08 Finding #10)
4	New ✓	GDOT did not perform adequate monthly reconciliations between accounts receivable and revenue account balances in the general ledger and the relevant subsidiary ledgers
5	Repeat	GDOT did not properly monitor the status of outstanding contractual obligations (Repeat FY 08 Finding #6)
6	Repeat	Material weaknesses in internal control were noted regarding the GDOT's ability to record, process, and report contractual obligations and supplemental agreements (Repeat FY 08 Finding #9)
7	Repeat	GDOT failed to maintain subsidiary capital asset inventory records for land (Repeat FY 07 Finding #2)